

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency

P.O. Box 2415

Washington, DC 20013-2415

Notice FC-80

For: State and County Offices

Documenting Farm and Home Plans

Approved by: Deputy Administrator, Farm Credit Programs

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1 Overview

**A
Background**

A recent OIG audit found that Farm and Home Plans developed for loan approval or servicing action:

- contain unreasonable yields, prices, and expenses
- are not being adequately documented.

**B
Purpose**

This notice provides guidance on documenting Farm Home and Plans.

**C
Contact**

Questions should be addressed to the Loan Servicing and Property Management Division, through the Area Office.

2 Action

**A
State Price List**

SED's must comply with FmHA Instruction 1924-B, section 1924.56(b)(2) by:

- issuing an annual State supplement establishing unit prices for all agricultural commodities produced commercially in the State

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Disposal Date	Distribution
November 1, 1997	State Offices; State Offices relay to County Offices and Ag Credit Teams

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2 Action (Continued)

A

State Price List (Continued)

- consulting with adjoining State Offices and other state and Federal agricultural agencies before establishing the unit prices
 - retaining documentation to support that the unit prices established are reasonable
 - submitting the State supplement establishing unit prices for review by the National Office according to Notice FC-72, paragraph 10.
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B

Documenting Farm and Home Plans

Agricultural credit officials shall:

- when preparing Farm and Home Plans, justify, in the running record of the borrower's case files, any prices, yields, and expenses that significantly vary from the borrower's 5-year history and published State lists
 - determine whether borrowers are scheduled to receive Agricultural Market Transition Act or other FSA payments
 - after determining that borrowers are scheduled to receive these payments, verify and include these payments in the Farm and Home Plan for the production/marketing year in which these payments are to be received.
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